

January 16, 1998

MEMORANDUM TO: Distribution

FROM: Michael J. Rubino, Associate Director
 Acquisition Services Branch

SUBJECT: Policy Memorandum No. 98-003 – Contract
 Administration Plan

1. Purpose. The purpose of this Policy Memorandum is to provide revised policies and procedures in regard to the Contract Administration Plan (CAP) and to standardize its format to better ensure that the Contracting Officer and Oversight Manager have a common understanding of both the contractor's and FDIC's obligations under the contract.
2. References.
 - (a) APM 7.B.5., *Contract Administration Plan*, page 7-12
 - (b) APM 7.D.2.e., *Inspection and Acceptance*, page 7-17
 - (c) APM 7.G.1.b., *Contract Administration*, page 7-25.
3. Scope. This Policy Memorandum is applicable to all Contracting Officers and Acquisition Services Branch personnel involved in awarding contracts and purchase orders on behalf of the Corporation. It represents a formal revision to the APM and will formally be incorporated therein at a later date.
4. Background. APM 7.B.5 requires the preparation of a Contract Administration Plan to ensure that both the Contracting Officer and the Oversight Manager have a common understanding of the contractor's and FDIC's contractual obligations. Contract Administration Plan content was provided but a specific format was not required. This has led to the development of plans that could vary considerably in detail and often do not completely clarify these mutual obligations. Through standardization of the CAP format and information requirements, the CAP preparation process will be simplified and will become a more useful contract planning and monitoring tool.

5. APM Change. In accordance with the foregoing, the APM is revised in its entirety as follows:

- a. APM 7.B.5. is deleted in its entirety and restated as follows:

“7.B.5. **Contract Administration Plan**. A Contract Administration Plan is required for all contracts and task orders for services with a total estimated value of \$100,000 or greater. At the discretion of the Contracting Officer, the use of a Contract Administration Plan is optional for all other contracts that are complex in nature or have multiple deliveries, including those of primary goods. The objective of the Contract Administration Plan is to ensure that the Oversight Manager and Contracting Officer have a common understanding of both the contractor’s and FDIC’s obligations under the contract. The Contracting Officer prepares the Contract Administration Plan with the assistance of the Oversight Manager immediately following contract award, to the extent the document can be completed at that time, and a copy is provided to the Oversight Manager. The CAP should be completed prior to the Post-award Conference, should be brief, and provide an overview of planned activity in the following areas (see Exhibit XXVII):

7.B.5.a. **General**. Provide information, such as contract effective date, term, ceiling price, etc.;

7.B.5.b. **Deliverables**. Identify deliverables and due dates required by both the FDIC and the Contractor;

7.B.5.c. **Modification/Funding History**. List all modifications issued under the contract and for those that impact funding levels, identify the increase or decrease in contract funding and the cumulative funding ceiling;

7.B.5.d **Options**. Identify all option periods and required dates for exercising the options; and

7.B.5.e. **Performance Evaluation**. Specify all performance evaluation periods including the base period and all options as necessary in order for the Oversight Manager to timely complete FDIC’s Contractor Performance Evaluation and Reporting Form (FDIC 3700/24).”

- b. APM Section 7.G is deleted in its entirety and restated as follows:

“7.G.1.b. **Contract Administration Plan**. The Contracting Officer shall develop a Contract Administration Plan (CAP) for contracts and task orders for services with a total estimated value of \$100,000 or greater. It should be prepared to the extent possible prior to the post-award conference as required

by APM 7.B.5., *Contract Administration Plan*. The Contract Administration Plan allows the Oversight Manager and the Contracting Officer to identify specific deliverables and due dates, the timing of performance evaluation and option periods, and to track future modifications and funding. The post-award conference should confirm that the contractor understands how the services will be accepted. The Contract Administration Plan shall include entries for general information related to the contract; a schedule for deliverables; modification/funding history; option periods and required exercise dates; and contractor performance evaluations. The Contract Administration Plan is incorporated into the APM as Exhibit XXVII.”

6. Effective Date. This Policy Memorandum is effective immediately.
7. Contacts. If you have any questions, please contact David McDermott on (202) 942-3434.

Attachment: (Contract Administration Plan, Exhibit XXVII)

Cc: Jane Sartori
John Lynn
DOA Associate Directors
DOA Regional Managers

Distribution:

David McDermott	Debbie Reilly
Rodney Cartwright	Paul Wright
Carolyn Follin	Brenda Butler
Tom Harris	Deirdre MacBain
Sandra West	Steve Metildi
Vance Brawley	Connie Knittle
Harry Baker	Howard Cox
Steve Krembs	Mary Rann
Pat McClintock	C. David Lamoureux
Stephen Hanas	Helen Belletti
Dianna Strader	Dan Mahoney
Joanna Lyckberg	Greg Cofer
Susan Whited	Kathleen Duffy
Rex Simmons	Karen Savia
Oversight Managers	